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# Department of Consumer Protection

## FACT SHEET: Home Improvement Without Headaches

### Who is a Home Improvement Contractor?

Anyone who performs improvements on residential property (single-family or multiple-dwellings of six units or less, condos or co-ops), when the individual job exceeds \$200 and when the cash price of all work performed in one year exceeds \$1,000.

### What is Not Included in the Home Improvement Law?

- Construction of a new home (covered by different laws; see our fact sheet, ***What You Need to Know About New Home Construction***).
- Sale of materials with no arrangements to perform any work or labor
- Sale of goods or services for commercial use or resale
- Sale of appliances (stoves, refrigerators, etc.) which can be easily removed from the home without material alteration
- Work performed by the homeowner on his/her own premises, without pay
- Any work, such as plumbing, electrical and heating and cooling, etc. which requires a separate license

### Registration is Required!

All home improvement contractors working in Connecticut must be registered with the Department of Consumer Protection (DCP), and they must display that registration number in all advertising.

All home improvement salespeople must also be registered. No individual may act as a home improvement salesperson for an unregistered contractor and no contractor can employ an unregistered salesperson.

### The Home Improvement Contract Must:

- Be in writing, as must all contract modifications
- Be signed by both the homeowner and the contractor / salesperson
- Include both a start and completion date
- Include notice of the homeowner's right to cancel within 3 business days (Saturday is a legal business day in Connecticut.)

The contract is not valid or enforceable against the homeowner unless it contains all the above information and is entered into by a registered contractor and/or a registered salesperson.

### Financing

If the contractor offers to finance your home improvement project, or get you in touch with a finance company, be sure to have your attorney or some other knowledgeable person review the finance agreement before you sign anything. Be sure that the entire agreement complies with the State and Federal Truth-in-Lending Act. There have been cases where consumers thought they were entering into a retail installment agreement, only to discover they had placed a second mortgage on their homes!

### What if the Work isn't Done?

If more than 30 days have gone by from the start date in your contract and the contractor has not performed a substantial amount of the work specified (or within 30 days after the date of the contract if no start date is listed), you may request a refund of your money.

If the contractor fails to refund your money within 10 days of your request, the contractor is subject to criminal action and other administrative action.

## How to Avoid Home Improvement Headaches

- Get to know the contractor as much as possible. Ask for references from former customers and contact them. Go and visit the job sites, if possible.
- Call or write the Department of Consumer Protection to determine whether the prospective contractor is indeed registered. You may reach us at (860) 713-6125 or 1-800-842-2649. You may also wish to check with the Better Business Bureau.
- Get more than one estimate, especially on big jobs. If the bids differ by a wide margin, be skeptical; get more bids. Don't assume that an extremely low bid is a bargain.
- Take the time to learn what's involved in the project, including the kinds of materials to be used.
- Make sure you understand your contract. If anything bothers you, check with your attorney.
- Don't approve any plans or blueprints unless you understand them.
- Plan your payment schedule to correspond to the progress of the work and include this in the contract. If the contractor demands all the money up front, or even a very large advance payment, this may signal he's in financial trouble. You'll also have more to lose should he fail to complete the job.
- Keep a daily journal of all work done, materials delivered, changes or additions and problems.

## Insurance

Determine whether the contractor has proper insurance, including workers' compensation and liability. Also, check with your own homeowner's insurance company to be sure that you have adequate coverage should someone be injured on the job.

## Waiver of Lien Rights

Any subcontractor or supplier hired by your contractor may file a lien in court against your property if the contractor fails to pay him or her. So if you have a \$10,000 job and have paid the contractor the full amount but he fails to pay the individual suppliers or sub-contractors who have worked on your home, the subcontractors or suppliers may file a lien against your property. You, the homeowner, must then appear and

defend yourself against the claim! To avoid such situations, you may want to have each and every supplier and subcontractor sign a waiver of lien rights against your property. You may want to discuss this with your attorney.

## Building Permits

Either the homeowner or the contractor may take out whatever building permits are necessary in your town. However, building permits are ultimately the homeowner's responsibility. Thus, if your contractor tells you that he or she has taken care of the permits but has failed to do this, you are still responsible. Check with your local building official.

## Certificate of Completion

Do not sign a certificate of completion or make your final payment until you are sure that everything in the contract is done. Be sure all suppliers and subcontractors have been paid; the work has been finished to your satisfaction, and is approved by your local building official, if applicable.

## Guarantees and Warranties

Workmanship warranties are usually good only if in writing, and the writing is only as good as the contractor behind it. Be sure to check for written warranties on materials (e.g., new windows), and be sure you keep them in a safe place.

## What to Do if You Have a Complaint

Write to the Department of Consumer Protection, Complaint Center, 165 Capitol Avenue, Hartford, CT 06106. Your complaint will be reviewed to determine whether the agency can help. You may also wish to consult with your attorney. Small Claims Court is another option for claims under \$3,500.

## Guaranty Fund

State law requires all home improvement contractors and salespeople to contribute annually to a Home Improvement Guaranty Fund, maintained by DCP to reimburse homeowners meeting certain conditions. Please see our Fact Sheet, ***The Home Improvement Guaranty Fund*** for more information. You may view it or download it from our website at [www.state.ct.us/dcp](http://www.state.ct.us/dcp).